

Medicare Lottery for Drug Demonstration Project



Senior Health Insurance
Information Program

Ask SHIIP

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Q: I read that Medicare is going to have a lottery to decide special drug coverage. How do I find out more?

A: As part of the Medicare Modernization Act of 2003, a Medicare Replacement Drug Demonstration project was created. 50,000 people will receive up to \$500 million in prescription assistance during 2004 and 2005. The purpose of this project is to increase access to important medications before Medicare Prescription Drug Plans (also called Medicare Part D) start in 2006.

For those who qualify, Medicare will pay for certain drugs for specific conditions. These include certain medications for serious illnesses that Medicare currently covers under Medicare Part B if administered in a doctor's office. Under this project you would take these "replacement" self-administered drugs at home.

To be eligible you must meet the following requirements:

1. You must have Medicare Part A and B.
2. Medicare must be your primary payor.
3. You must have a signed document from your doctor stating that you need one of the drugs covered under this program for the specific covered condition.
4. You cannot have comprehensive prescription drug coverage from any other insurance. However, if you have drug coverage from a Medigap policy or from a Medicare Advantage Plan (formerly known as Medicare + Choice) you can qualify.

The following is the list provided by Medicare of the diseases that may qualify you: certain Cancers, Pulmonary Hypertension, CMV Retinitis, Hepatitis C, Multiple Sclerosis, Rheumatoid Arthritis, Osteoporosis (patient must be homebound), Paget's Disease, and Secondary Hyperparathyroidism.

If you have one of these conditions, you can check to see if your specific medication would be covered by calling 1-866-563-5386 or by visiting www.cms.hhs.gov/researchers/demos/drugcoveredemo.asp

If your condition and medications are covered, you can apply by calling the number or visiting the web site listed above. Applications must be turned in by September 30, 2004. If more than 50,000 people sign up,

Medicare will hold a lottery to decide who gets to participate. This program will only exist until December 31, 2005. After that you would need to sign up for one of the new Prescription Drug Plans to continue receiving benefits.

What will this cost you? This project will function the same as the Prescription Drug Plans that will go into effect in 2006 except you will not have to pay a monthly premium. You will pay an annual deductible and co-pays. There will also be a gap in coverage (donut hole) before you reach catastrophic coverage.

If your income is less than \$13,965 single or \$18,735 married (2004 figures) you will have either a reduced or \$0 deductible and co-pays.

How do you decide if this project is right for you? Step 1: Call to verify that your disease and medication are part of the project. Step 2: Compare what you are paying now for this medication under Medicare Part B by taking it at the Doctor's office (verify what Medicare and any other insurance is paying) and what it would cost you under this new project. Step 3: Remember if you want to participate, enroll by September 30, 2004.

Resources: www.medicare.gov,
www.cms.gov,

Ask SHIIP
311 W. Washington Street
Ste. 300
Indianapolis, IN 46204
Or www.state.in.us/idoi/shiip
1-800-452-4800

SHIIP is a free, unbiased counseling program provided by the Indiana State Department of Insurance. For assistance, call your local SHIIP site to make an appointment or call the state office at 1-800-452-4800 to obtain a list of local SHIIP sites.